

CERTIFIED COPY

CLERK OF THE SUPERIOR COURT

FILED

1-21-2020 2:02 p.m.

F. Delgado, Deputy

1 **MARK BRNOVICH**
2 **ATTORNEY GENERAL**
3 (Firm State Bar No. 14000)
4 Rebecca Salisbury (No. 022006)
5 Kaitlin S. Hollywood (No. 030637)
6 Assistant Attorneys General
7 **OFFICE OF THE ATTORNEY GENERAL**
8 2005 North Central Avenue
9 Phoenix, AZ 85004
10 Telephone: (602) 542-7757
11 Facsimile: (602) 542-4377
12 consumer@azag.gov
13 *Attorney for Plaintiff State of Arizona*

10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **IN AND FOR THE COUNTY OF MARICOPA**

12 STATE OF ARIZONA, *ex rel.* MARK
13 BRNOVICH, Attorney General,

14 Plaintiff,

15 v.
16

17 RUBEN DIAZ and MARCELA DIAZ,
18 husband and wife; RODRIGO DIAZ and
19 JANE DOE DIAZ II, husband and wife;
20 PROSOLUTIONS, LLC, an Arizona limited
21 liability company; RANCHO GRANDE,
22 LLC, a Wyoming Limited Liability
23 Company; DESERT TRI-STAR, LLC, a
24 Nevada Limited Liability Company;
25 GOLEM, LLC, an Arizona Limited Liability
26 Company; ILYA KURIAKI AND
27 ASSOCIATES, LLC, an Arizona Limited
28 Liability Company; MICHAB WEST, LLC,
an Arizona Limited Liability Company;
MOZART CLAN, LLC, an Arizona Limited
Liability Company; QUINSEY, LLC, an
Arizona Limited Liability Company;
SAGUARO DESERT SOLUTIONS, LLC, an

Case No. CV2016-002019

CONSENT JUDGMENT

(Assigned to the Hon. Sherry K. Stephens)

1 Arizona Limited Liability Company; JOHN
2 DOES ONE THROUGH TEN; JANE DOES
3 ONE THROUGH TEN; ABC
4 CORPORATIONS ONE THROUGH TEN;
5 XYZ LIMITED LIABILITY COMPANIES
6 ONE THROUGH TEN,

7
8 Defendants.

9 Plaintiff State of Arizona, *ex rel.* Mark Brnovich, Attorney General (the "State"), filed its
10 First Amended Complaint (the "Complaint") on May 16, 2018, alleging violations of the Arizona
11 Consumer Fraud Act, Ariz. Rev. Stat. ("A.R.S.") §§ 44-1521 to 44-1534 (the "ACFA"), and the
12 Arizona Organized Crime, Fraud and Terrorism Act, A.R.S. §§ 13-2301 to 13-2323 (the
13 "AOCFTA"), against Defendants Ruben Diaz, Marcela Diaz, and Rodrigo Diaz, ("Diaz
14 Defendants") and ProSolutions LLC, Rancho Grande LLC, Desert Tri-Star LLC, Golem LLC,
15 Ilya Kuriaki and Associates LLC, Mozart Clan LLC, Michab West LLC, Quinsey LLC, and
16 Saguaro Desert Solutions LLC ("Entity Defendants"). Diaz Defendants and Entity Defendants
17 admit that this Court has, and retains, jurisdiction over the subject matter and the parties for the
18 purposes of entry and enforcement of this Consent Judgment ("Consent Judgment"). The Diaz
19 Defendants and the Entity Defendants consent and stipulate to this Court's entry of this Consent
20 Judgment, to compromise and settle the claims set forth in the State's Complaint.

21 **I. PARTIES**

22 1. The State of Arizona is authorized to bring this action under the ACFA and the
23 AOCFTA.

24 2. At all times relevant to the Complaint and this Consent Judgment, Defendant Ruben
25 Diaz and Defendant Marcela Diaz were married to each other, and Defendant Ruben Diaz was
26 acting on behalf of the marital community.
27
28

1 3. At all times relevant to the Complaint and this Consent Judgment, the Entity
2 Defendants were owned and operated by Defendant Ruben Diaz and/or Defendant Rodrigo Diaz,
3 and the Entity Defendants were headquartered in and operated from Maricopa County, Arizona.

4 4. This Court has jurisdiction over the Complaint and the parties necessary for the
5 Court to enter this Consent Judgment and any orders hereafter appropriate pursuant to
6 A.R.S. § 44-1528 and this Consent Judgment.

7 5. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401.

8 **II. PROCEDURAL HISTORY**

9 6. The State filed its Complaint in the above captioned matter on March 10, 2016 and
10 its First Amended Complaint on May 16, 2018.

11 7. Defendants Ruben Diaz and ProSolutions LLC filed Chapter 11 petitions for relief
12 under Title 11 of the United States Code on July 28, 2016. Their bankruptcy cases were later
13 converted to cases under Chapter 7 on September 26, 2016.

14 8. On January 3, 2017, the State filed an adversary complaint in Ruben Diaz's
15 bankruptcy case to determine the dischargeability of debts claimed to be owed to the State (2:17-
16 ap-00003- MCW), including any monetary award received from this Complaint ("Diaz Adversary
17 Proceeding").

18 9. On March 21, 2017, the bankruptcy court granted a stipulated stay of the Diaz
19 Adversary Proceeding pending "the disposition of the State Action by the Superior Court of the
20 State of Arizona ("Superior Court"), allowing the Superior Court to make findings of fact and
21 conclusions of law, including but not limited to, the extent of liability of the Debtor Ruben Diaz
22 and others, if any, and the liquidation of the State's claims under the ACFA and AOCFTA, such
23 as restitution, disgorgement, civil penalties, investigative costs and attorney fees, if any."

24 **III. STATE'S ALLEGATIONS OF FACT**

25 10. The State alleges that from 2011 through 2016, all Defendants provided real-estate-
26 related services to consumers in Arizona, including offering to assist consumers in short selling
27 real property, locating real property that could be purchased with investor loans or
28

1 seller-carried financing, and assisting in obtaining investor loans or seller-carried financing for
2 the purchase or refinance of residential real property.

3 11. The State alleges that Defendant Ruben Diaz formed nine limited liability
4 companies (seven established in Arizona, one in Wyoming and one in Nevada) in order to protect
5 himself from liability and disguise the true nature of his business to his clients.

6 12. The State alleges that at all times relevant to the Complaint and this Consent
7 Judgment, Defendant Ruben Diaz exercised control over the management and activities of
8 Defendant ProSolutions LLC and the other Defendant Entities.

9 13. The State alleges that Defendant Ruben Diaz, Defendant Rodrigo Diaz and the
10 Entity Defendants specialized in serving clients who were facing foreclosure or could not obtain
11 traditional mortgage financing and served a Spanish speaking clientele who relied upon the
12 Defendants' ability to speak and read English.

13 14. The State alleges that Defendant Ruben Diaz's Spanish speaking clientele sought
14 him out because they did not speak or read English well or at all, were not familiar with real estate
15 purchasing and financing, and needed Defendant Ruben Diaz to translate for them as well as
16 explain the meaning of the English language contracts he asked them to sign. Defendant Ruben
17 Diaz knew his clients would be unable to read the documents they were signing and did not
18 explain the true contents of the documents.

19 15. The State alleges that a typical transaction involved the signing of an agreement
20 entitled a "Consulting Services Agreement" and the payment of \$1,500 (or more) for Defendants'
21 services, along with a payment of thousands of dollars as a deposit to be used as earnest money
22 for a home purchase.

23 16. The State alleges that the Consulting Services Agreement provided for a \$1,500
24 service fee, and for thousands of dollars in earnest money deposits to be placed in "a separate trust
25 account" and "utilized as an earnest money deposit" for a home purchase. The earnest money
26 deposit was stated to be refundable if no home was purchased or if the client elected to terminate
27 their search for a home.

28 17. The State alleges that although the Consulting Services Agreement promised clients

1 that their earnest money deposits would be placed in a separate trust account, Defendant Ruben
2 Diaz never opened a trust account. He knew the purpose of a trust account was to safely hold
3 earnest money down payments separately from other funds.

4 18. The State alleges that Defendant Ruben Diaz routinely took his clients' service fees
5 and earnest money down payments and did not provide services of any value. Defendant Ruben
6 Diaz did not apply the tens of thousands of dollars in earnest money deposits to home purchases,
7 did not refund payments as promised and used the hard-earned earnest money of his clients for his
8 own purposes.

9 19. The State alleges that Defendant Ruben Diaz spent all of his clients' service fees
10 and earnest money deposits and none remains.

11 20. The State alleges that Defendant Ruben Diaz pretended to sell his clients a home
12 and provide them with mortgage financing, while in reality he became their landlord, collecting
13 rents and benefitting from improvements done by tenants who believed they were owners.

14 21. The State alleges that to accomplish this, Defendant Ruben Diaz collected an earnest
15 money deposit and then showed his clients homes available for purchase, often the homes he had
16 obtained in short sales from other clients or those owned by investors or realtors that were also
17 involved in his fraudulent scheme.

18 22. The State alleges that Defendant Ruben Diaz and his clients signed Purchase
19 Contracts reflecting the agreed upon price, monthly payment and their down payment. This was
20 not done at a title company, there was no escrow account established and deeds were not
21 recorded. Defendant Ruben Diaz's clients believed they were purchasing a home when they
22 signed this contract.

23 23. The State alleges that Defendant Ruben Diaz had his non-English speaking and
24 reading clients sign a Residential Lease Agreement for the same property at the same time as they
25 signed the Purchase Contract, but did not tell them about the lease agreement, which was buried in
26 the paperwork. The lease stated that it superseded the purchase agreement signed the same day.
27 The lease also placed responsibility for all repairs on the tenant, and included a clause stating that
28 any breach of the lease would cause the client to lose their earnest money.

1 24. The State alleges that tenants received monthly statements reflecting how much of
2 their payment went to principal, interest, insurance and tax payments, when they were really
3 paying rent to Defendant Ruben Diaz. Defendant Ruben Diaz also arbitrarily increased the
4 monthly payments, stating the increase was based upon increased insurance and taxes.

5 25. The State alleges that when tenants learned they did not own the property, they also
6 learned that if they wanted to purchase the home, the price had increased by tens of thousands of
7 dollars. There was no benefit from their earnest money deposits and they did not receive any
8 credit for their months or years of monthly payments. They had to quickly obtain financing. If
9 they did not or could not take the new deal, the home was either sold out from under them or
10 foreclosed upon.

11 26. The State alleges that Defendant Ruben Diaz used short term, interest-only,
12 investor-only loans to finance home purchases but did not tell clients about the true terms of these
13 loans. Clients who could not obtain financing to pay off the short-term high interest loans were
14 forced to either vacate or remain as tenants and received no benefit from their monthly payments
15 or down payments.

16 27. The State alleges that Defendant Rodrigo Diaz, under the direction of Defendant
17 Ruben Diaz, assisted Defendant Ruben Diaz in some of the above matters at times relevant to the
18 Complaint and the Consent Judgment.

19 28. Ruben Diaz, Rodrigo Diaz and all Defendants deny the allegations of the State, but
20 desire to compromise and settle all disputes without any admission of any of the allegations of the
21 State.

22 29. This Stipulation and Agreement is intended to settle and resolve all claims alleged in
23 the Complaint and all Applications and Supplemental Applications for Orders to Show Cause
24 filed herein prior to the date of this Agreement and each and all of the foregoing allegations.

1 **IV. CONCLUSIONS OF LAW**

2 30. Defendant Ruben Diaz and the Entity Defendants committed unlawful practices in
3 violation of the ACFA. A.R.S. § 44-1522.

4 31. The payment to the fund created by A.R.S. 44-1531.02 awarded in this Consent
5 Judgment is awarded pursuant to A.R.S. § 44-1528(A)(2) and is nondischargeable under
6 11 U.S.C. § 523(a)(4).

7 32. The civil penalties awarded pursuant to A.R.S. § 44-1531 in this Consent Judgment
8 are a fine or penalty payable to and for the benefit of a governmental unit, are not compensation
9 for actual pecuniary loss and are nondischargeable under 11 U.S.C. § 523(a)(7).

10 33. The Parties stipulate and agree that the conclusions of law set forth above shall be
11 deemed admitted for the purpose of the enforcement of this judgment and in any current or
12 subsequent proceeding in bankruptcy, including, but not limited to, In re: ProSolutions LLC,
13 Debtor; 2:16-bk-08653-MCW; In re: Ruben Diaz, Debtor, 2:16-bk-08654-MCW; and Adversary
14 Case 2:17-ap-00003 MCW.

15 **V. PERMANENT INJUNCTION ORDER**

16 34. Unless otherwise indicated, the injunctive relief set forth in this Consent Judgment
17 is binding upon the Entity Defendants, Defendant Ruben Diaz and Defendant Rodrigo Diaz and
18 their agents, servants, employees, attorneys, and any entity established, owned, or operated by
19 Defendant Ruben Diaz and/or Defendant Rodrigo Diaz, whether a partnership, corporation or
20 limited liability company, if any, and those persons in active concert or participation with
21 Defendant Ruben Diaz and/or Defendant Rodrigo Diaz, directly or indirectly, who receive actual
22 notice of this Consent Judgment by personal service or otherwise.

23 35. Pursuant to A.R.S. § 44-1528, Defendant Ruben Diaz, Defendant Rodrigo Diaz and
24 Entity Defendants are permanently enjoined, restrained, and prohibited from:

25 a. Engaging in any and all deceptive or unfair acts or practices, fraud, false
26 pretense, false promises, misrepresentations, and/or concealment, suppression or omission
27
28

1 of material fact in violation of the Arizona Consumer Fraud Act as currently written or as
2 amended in the future;

3 b. Advertising, offering or providing services for any compensation within the
4 State of Arizona or to residents of the State of Arizona in connection with the sale,
5 purchase, lease or financing of real property or the modification of loans secured by real
6 property; and

7 c. Providing, arranging or offering to provide seller-carried financing for the
8 purchase of real property in Arizona or to Arizona consumers other than for the primary
9 residence of Defendant Ruben Diaz, the primary residence of the marital community of
10 Ruben Diaz and Marcela Diaz, or the primary residence of Defendant Rodrigo Diaz.

11 **VI. PAYMENTS FOR VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**
12 **FROM 2011 TO SEPTEMBER 26, 2016**

13 36. Payments to the Fund Created by A.R.S. § 44-1531.02

14 a. Pursuant to A.R.S. § 44-1528(A)(2), Defendant Ruben Diaz, as his sole and
15 separate obligation, and Defendants Ruben and Marcela Diaz, as a community obligation,
16 are jointly and severally obligated to pay to the Attorney General the amount of \$393,813
17 to the fund created by A.R.S. § 44-1531.02. This payment is due at the time of entry of
18 this Consent Judgment with interest thereon at the statutory rate until paid.

19 b. The payment to the fund created by A.R.S. § 44-1531.02 shall be deposited
20 by the Arizona Attorney General into an interest-bearing subaccount pursuant to
21 A.R.S. § 44-1531.02(B) and distributed to Eligible Consumers by the Arizona Attorney
22 General.

23 c. Defendants Ruben Diaz individually and on behalf of the marital community,
24 and Marcela Ocegura Diaz, on behalf of the marital community, stipulate that the full
25 amount of payment to the fund created by A.R.S. § 44-1531.02 in the amount of \$393,813
26 and the interest thereon shall be nondischargeable in bankruptcy under 11 U.S.C. §
27 523(a)(4).
28

1 d. For purposes of this Consent Judgment, "Eligible Consumers" means
2 consumers who were subjected to Defendants' business practices described in paragraphs
3 13-27 herein between January 1, 2011 and September 26, 2016. The Arizona Attorney
4 General shall have sole discretion as to how and when payments to the fund created by
5 A.R.S. § 44-1531.02 are distributed to consumers and the eligibility of any consumer to
6 receive payments from the fund.

7 e. In the event the amount ordered as payment to the fund created by
8 A.R.S. § 44-1531.02 herein is insufficient to restore to Eligible Consumers the full
9 amount of money paid to Defendants, the amount shall be distributed to the Eligible
10 Consumers on a pro rata basis. In the event that any portion of the payment to the fund
11 created by A.R.S. § 44-1531.02 ordered herein cannot be distributed to Eligible
12 Consumers or exceeds the loss suffered by Eligible Consumers, in accordance with A.R.S.
13 § 44-1531.02, such portion(s) shall revert to the Consumer Protection – Consumer Fraud
14 Revolving Fund established by A.R.S. § 44-1531.01 and used for the purposes specified
15 therein.

16 37. Civil Penalties

17 a. Pursuant to A.R.S. § 44-1531, Defendant Ruben Diaz, as his sole and
18 separate obligation, and Defendants Ruben and Marcela Diaz, as a community obligation,
19 are jointly and severally obligated to pay to the State the amount of \$50,000 in civil
20 penalties (the "Civil Penalty Payment"), with interest thereon at the statutory rate until
21 paid. The Civil Penalty Payment shall be deposited into the Consumer Protection –
22 Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01 and used for the
23 purposes set forth therein.

24 b. This Civil Penalty Payment is awarded as a penalty for Defendants' alleged
25 violations of the ACFA between January 1, 2011 and September 26, 2016.

26 c. If all payments to the fund created by A.R.S. § 44-1531.02 owed by
27 Defendant Ruben Diaz and his marital community are fully paid, then the State will deem
28 the Civil Penalty Payment satisfied.

1 d. The full amount of the \$50,000 and the interest thereon is a fine and penalty
2 payable to and for the benefit of a governmental unit, is not compensation for actual
3 pecuniary loss and shall be nondischargeable in bankruptcy under 11 U.S.C. § 523(a)(7).

4 **VII. PAYMENTS FOR VIOLATIONS OF THE PRELIMINARY INJUNCTION ISSUED**
5 **DECEMBER 21, 2016**

6 38. Payments for Violations of the Preliminary Injunction

7 a. Pursuant to A.R.S. § 44-1528(A)(2), Defendant Ruben Diaz, as his sole and
8 separate obligation, and Defendants Ruben and Marcela Diaz, as a community obligation,
9 are jointly and severally obligated to pay to the Attorney General the amount of \$31,500 to
10 the fund created by A.R.S. § 44-1531.02. This payment is due at the time of entry of this
11 Consent Judgment, with interest thereon at the statutory rate until paid.

12 b. This payment to the fund created by A.R.S. § 44-1531.02 is solely awarded
13 for violations by Defendant Ruben Diaz of the Preliminary Injunction entered by this Court
14 on December 21, 2016. The payment to the fund created by A.R.S. § 44-1531.02 in the
15 amount of \$31,500 is based on claims arising after December 21, 2016, after the September
16 26, 2016 conversion of Defendants Ruben Diaz and Defendant ProSolutions LLC's
17 Chapter 11 bankruptcies to Chapter 7 bankruptcies, and is thus nondischargeable in the
18 bankruptcy cases: In re: ProSolutions LLC, Debtor; 2:16-bk-08653-MCW; In re: Ruben
19 Diaz, Debtor, 2:16-bk-08654-MCW; and Adversary Case 2:17-ap-00003 MCW.

20 c. The payment to the fund created by A.R.S. § 44-1531.02 shall be deposited
21 by the Arizona Attorney General into an interest-bearing subaccount pursuant to
22 A.R.S. § 44-1531.02(B) and distributed to Preliminary Injunction Violation Eligible
23 Consumers by the Arizona Attorney General.

24 d. Defendants Ruben Diaz, individually and on behalf of the marital
25 community, and Marcela Ocegura Diaz, on behalf of the marital community, stipulate that
26 the full amount of payment to the fund created by A.R.S. § 44-1531.02 in the amount of
27
28

1 \$31,500 and the interest thereon shall be nondischargeable in bankruptcy under 11 U.S.C. §
2 523(a)(4).

3 e. For purposes of this Consent Judgment, “Preliminary Injunction Violation
4 Eligible Consumers” means consumers with whom Defendant Ruben Diaz conducted
5 transactions after the entry of the Court’s Preliminary Injunction Order of December 21,
6 2016. The Arizona Attorney General shall have sole discretion as to how and when
7 payments to the fund created by A.R.S. § 44-1531.02 are distributed to Preliminary
8 Injunction Violation Eligible Consumers and their eligibility to receive payments.

9 f. In the event the amount ordered as payment to the fund created by
10 A.R.S. § 44-1531.02 herein is insufficient to restore to Preliminary Injunction Violation
11 Eligible Consumers the full amount of money they paid to Defendants, the amount shall be
12 distributed to the Preliminary Injunction Eligible Consumers on a pro rata basis. In the
13 event that any portion of the payment to the fund created by A.R.S. § 44-1531.02 ordered
14 herein cannot be distributed to Preliminary Injunction Eligible Consumers or exceeds the
15 loss suffered by Preliminary Injunction Eligible Consumers, in accordance with
16 A.R.S. § 44-1531.02, such portion(s) shall revert to the Consumer Protection – Consumer
17 Fraud Revolving Fund established by A.R.S. § 44-1531.01 and used for the purposes
18 specified therein.

19 39. Civil Penalties

20 a. Pursuant to A.R.S. § 44-1531, Defendant Ruben Diaz, as his sole and
21 separate obligation, and Defendants Ruben and Marcela Diaz, as a community obligation,
22 are jointly and severally obligated to pay to the State the amount of \$50,000 in civil
23 penalties (the “Additional Civil Penalty Payment”), with interest thereon at the statutory
24 rate until paid. The Additional Civil Penalty Payment shall be deposited into the Consumer
25 Protection – Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01 and used
26 for the purposes set forth therein.

27 b. This Additional Civil Penalty Payment is solely awarded for violations by
28 Defendant Ruben Diaz of the Preliminary Injunction entered by this Court on December

1 21, 2016. The Parties therefore stipulate that the Additional Civil Penalty Payment is
2 based on claims arising after December 21, 2016, after the September 26, 2016 conversion
3 of Defendants Ruben Diaz and Defendant ProSolutions LLC's Chapter 11 bankruptcies to
4 Chapter 7 bankruptcies, and is thus nondischargeable in the bankruptcy cases: In re:
5 ProSolutions LLC, Debtor; 2:16-bk-08653-MCW; In re: Ruben Diaz, Debtor, 2:16-bk-
6 08654-MCW; and Adversary Case 2:17-ap-00003 MCW. Furthermore, the full amount of
7 the Additional Civil Penalty Payment and the interest thereon is a fine and penalty payable
8 to and for the benefit of a governmental unit, is not compensation for actual pecuniary loss
9 and is nondischargeable in bankruptcy under 11 U.S.C. § 523(a)(7).

10 **VIII. PAYMENT**

11 40. Each partial payment made by Defendants shall be applied first to the amounts
12 payable to the fund created by A.R.S. § 44-1531.02 awarded under this Consent Judgment, then to
13 the civil penalties award, and then, if applicable, to any interest owed.

14 41. The payments required herein shall be paid in the form of cashier's checks or money
15 orders made payable to "The State of Arizona." Payment shall be delivered, or mailed and
16 postmarked, to:

17 Consumer Protection and Advocacy Section
18 The Office of the Arizona Attorney General
19 2005 N. Central Ave
20 Phoenix, AZ 85004
21
22
23
24
25
26
27
28

1 **IX. GENERAL TERMS**

2 42. This Consent Judgment is conditioned upon the entering of a stipulation resulting in
3 a final Judgment in the United States Bankruptcy Court for the District of Arizona, Adversary
4 Case No. 2:17-ap-00003-MCW, finding that:

5 a. the payment to the fund created by A.R.S. § 44-1531.02 in the amount of
6 \$393,813 for violations of the ACFA occurring prior to September 26, 2016, as alleged in
7 the State's Complaint constitutes a nondischargeable debt under 11 U.S.C. § 523(a)(4);

8 b. the \$50,000 in civil penalties for violations of the ACFA occurring prior to
9 September 26, 2016, as alleged in the State's Complaint and the interest thereon, are a fine
10 and penalty payable to and for the benefit of a governmental unit, are not compensation for
11 actual pecuniary loss, and are nondischargeable in bankruptcy under 11 U.S.C. § 523(a)(7);
12 and

13 c. the payment to the fund created by A.R.S. § 44-1531.02 in the amount of
14 \$31,500 and the Additional Civil Penalty Payment of \$50,000 for violations of the
15 December 21, 2016 Preliminary Injunction are not subject to discharge in the following
16 bankruptcy cases because they settle claims arising after the September 26, 2016 date of
17 conversion from Chapter 11 bankruptcy to Chapter 7 bankruptcy: In re: ProSolutions
18 LLC, Debtor; 2:16-bk-08653-MCW; In re: Ruben Diaz, Debtor, 2:16-bk-08654-MCW; and
19 Adversary Case 2:17-ap-00003 MCW.

20 43. With the exception of the use of provisions relating to the nondischargeability of the
21 payments provided for herein in bankruptcy court, (paragraphs 31, 32, 33, 36, 37, 38, 39 and 42,
22 and their subparagraphs), and with the exception of the State's enforcement of this Consent
23 Judgment, this Consent Judgment is not and shall not in any event be used as an admission of any
24 alleged wrongdoing or liability by Defendants in any other civil, criminal, or administrative court,
25 administrative agency or other tribunal anywhere in the United States of America.

26 44. Nothing in this consent judgment shall be construed so as to limit or waive the
27 State's right to seek recovery and/or distribution from the Ruben Diaz bankruptcy estate or the
28

1 bankruptcy estate of any other person or entity, including but not limited to ProSolutions LLC or
2 the bankruptcy estate of ProSolutions LLC.

3 45. The "Effective Date" of this Consent Judgment is the date when the Court's signed
4 Judgment is entered with the Clerk of Court.

5 46. Any notice required to be provided by this Consent Judgment shall be provided to
6 the undersigned parties at the mailing addresses set forth in ¶ 41 of this Consent Judgment or
7 through the respective attorney identified in this Consent Judgment as representing each
8 Defendant. Any Party or attorney for a Party may give notice of new contact information for that
9 Party.

10 47. Nothing in this Consent Judgment shall be construed as an approval by the Attorney
11 General, the State or any agency thereof of any of Defendants past, present, or future actions or
12 practices.

13 48. Defendants shall not participate directly or indirectly in any activity to form a
14 separate entity, corporation, or trust for the purpose of engaging in acts prohibited in this Consent
15 Judgment or for any other purpose which would otherwise circumvent any part of this Consent
16 Judgment or the spirit or purposes of this Consent Judgment.

17 49. Jurisdiction is retained by this Court for the purpose of entertaining an application to
18 enforce the terms and provisions of this Consent Judgment or to take action based on future
19 conduct by the Defendants.

20 50. This Consent Judgment is entered as a result of a compromise and a settlement
21 agreement between the parties. Only the parties to this action may seek enforcement of this
22 Consent Judgment. Nothing herein is intended to create a private right of action by other parties
23 or to limit the rights of any private party to pursue any remedies allowed by law.


24 51. If any portion of this Consent Judgment is held invalid by operation of law, the
25 remaining terms thereof shall not be affected and shall remain in full force and effect.

26 52. This Consent Judgment resolves all outstanding claims expressly identified in the
27 Complaint and all Applications and Supplemental Applications for Orders to Show Cause filed
28

1 herein prior to the date of this Agreement, as to all Defendants. As no further matters remain
2 pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

3 53. Each party shall pay its own attorneys' fees and costs incurred herein.
4

5 DATED: January 21, 20 20.
6
7

8 
9 _____
10 The Honorable Sherry K. Stephens
11 Maricopa County Superior Court Judge
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CONSENT TO JUDGMENT

1. Defendants admit the Court has jurisdiction to enter this Consent Judgment.

2. Defendants acknowledge that their acceptance of this Consent Judgment is solely for the purpose of settling the ongoing consumer fraud lawsuit filed by the State, and further acknowledge that this Consent Judgment does not preclude any other agency or officer of this State or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate.

3. The Defendants have fully read and understand this Consent Judgment; understand the legal consequences involved in signing it; assert that this is the entire agreement of the parties, and that there are no other representations or agreements not stated in writing herein; and assert that no force, threats, or coercion of any kind have been used to obtain their signatures.

4. This Consent Judgment may be executed in counterparts and delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together constitute one and the same document.

5. Defendants represent that the person signing below on behalf of Entity Defendants is duly appointed and authorized to do so.

RUBEN DIAZ OROZCO

RODRIGO DIAZ

By: 

By: 

Dated: 01/12/2020

Dated: 1/10/2020

///

1 MARCELA OCEGUERA DIAZ

2
3
4 By: Marcela

5 Dated: 01-12-2020

PROSOLUTIONS, LLC; RANCHO GRANDE,
LLC; DESERT TRI-STAR, LLC; GOLEM,
LLC; ILYA KURIAKI AND ASSOCIATES,
LLC; QUINSEY, LLC; MOZART CLAN,
LLC; MICHAEL WEST, LLC; and SAGUARO
DESERT SOLUTIONS, LLC

6
7 By: Ruben Diaz Orozco

Ruben Diaz Orozco, Authorized Representative
Former Member and Manager

8 Dated: 01/12/2020

9
10 APPROVED AS TO FORM AND CONTENT:

11
12
13 MARK BRNOVICH
14 ATTORNEY GENERAL

15
16 By: Rebecca Salisbury

Dated: January 16, 2020

17 Rebecca Salisbury
18 Assistant Attorney General

19
20 HELMS LAW GROUP, PLC

21
22 By: Michael G. Helms

Dated: 1/13/2020

23 Michael G. Helms
24 Attorney for Defendants Ruben Diaz, Marcela
25 Diaz, Rodrigo Diaz, ProSolutions LLC, Rancho
26 Grande LLC, Desert Tri-Star LLC, Golem LLC,
27 Ilya Kuriaki and Associates LLC, Mozart Clan
28 LLC, Michab West LLC, Quinsey LLC, and
Saguaro Desert Solutions LLC

The foregoing instrument is a full, true and correct copy
of the original on file in this office.

Attest

JAN. 21, 2020
JEFF FINE, Clerk of the Superior Court of the
State of Arizona, in and for the County of Maricopa.

By: J. Delgado

Deputy Clerk